

HIGHLIGHTS

CITY OF ALEXANDRIA FY 2005 OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM ADOPTED MAY 3, 2004

- The adopted FY 2005 **General Fund operating budget** totals \$432.9 million, which represents an 8.8 percent increase over FY 2004.
- The **All Funds** operating budget totals \$519.0 million, which is an 8.3 percent increase over FY 2004.
- The **real estate tax rate** adopted for general purposes was reduced 4 cents from \$1.035 to \$0.995. This rate includes 1 cent for the cost of acquiring open space and is the second lowest tax rate of any major jurisdiction in Northern Virginia, and is 11.5 cents less than the \$1.11 rate in 2001. Over the last 20 years, Alexandria's real estate tax rate has dropped more than any other major jurisdiction, and it is now at its lowest level in at least the last 54 years.
 - This \$0.995 tax rate through the end of FY 2005 will provide some \$13.6 million in tax relief in comparison with the current \$1.035 rate.
 - With this relief, the average residential real estate tax bill will increase by \$395 or 12.4 percent.
 - In addition, a new program of Affordable Home Ownership Protection grants of \$250 each will be made available to home owners who have less than \$61,000 in household income and homes worth less than \$362,000. For those home owners who apply and receive these grants, the effective increase in their real estate taxes will be held to no more than 4.5 percent. The cost of this program is estimated to be \$745,000 in FY 2005.
 - Lastly, the budget provides \$2.0 million for expanded tax relief for senior citizens and the disabled in FY 2005 due to increases in the income limits and net worth limits, an increase of \$500,000 over the amount budgeted for FY 2004. This program provides full, 50 percent or 25 percent exemption from real estate taxes provided the income level of the household is below certain levels.
- The **General Fund** budget of \$432.9 million reflects the following:
 - The budget for general City government operations increased by \$16.5 million or 7.0 percent.
 - The budget ensures that the City Schools receive full funding of their operating and capital budget requests. The operating budget for the Schools is \$130.6 million, or a 7.7 percent increase, not including \$2.0 million set aside in the event that the Schools do not receive full State aid funding.

- \$27 million more is necessary to maintain current services and programs. Of this amount \$19.4 million is needed to for compensation-related increases for current City and School employees including a 2.0 percent COLA for City and School employees for merit increases as well as increases in the cost of health and retirement benefits.
- City departments and the Schools proposed \$3.0 million in efficiency and service reductions to hold the total increase for discretionary activities to \$8.1 million or only 2.0 percent, including \$1.4 million in cash to fund increases in the Capital Improvement Program (CIP).
- The CIP is funded in FY 2005 by \$18.9 million in cash and \$22.9 million in debt service. The total, \$41.9 million, is a 12.3 percent increase over FY 2004 amounts.
- The refuse fee collection for residential customers is increased by \$20 a year from \$185 to \$205 reflecting increased costs for this self-supporting activity.
- The sanitary sewer connection fee will increase by 20 cents per thousand gallons of usage in order to fund new sanitary sewer capital improvements and operating expenses. This will result in a sanitary sewer fee increase of \$16 per year for the average homeowner.
- The **six-year CIP** for FY 2005 to FY 2010 totals \$302.6 million, which is a decline of \$37.5 million or 11.0 percent from last year's approved CIP.
- The CIP fully funds the School's CIP request of \$106 million, which includes the school's estimated cost to build a new T.C. Williams High School and to renovate and expand the Minnie Howard Ninth Grade Center.
- For **open space acquisition**, City Council has indicated its intent to issue open space bonds at the time of the City's next bond issue, which is expected to occur in January 2005.
- The precise amount of bonds will be determined in the fall of calendar year 2004 after an open space acquisition plan has been formally approved by Council and sound acquisition cost estimates have been developed.
- It is Council's intention to issue these bonds in an amount of \$10 million or more, to enable Council both to quickly move forward on some open space acquisition priorities and to create a reserve fund that can be used in the future to pursue unforeseen acquisition opportunities soon after they arise.
- These bonds will be financed with a portion of the revenue that will be derived annually from the 1 cent on the real estate tax rate that is dedicated to open space.
- The City Council adopted fiscal year 2005 Operating Budget and FY 2005-2010 Capital Improvement Program maintains today's level of services and programs, but more importantly, also lays the groundwork for a financially sustainable future that works toward the vision and goals being established by City Council as part of the long range strategic planning process.

- **To facilitate unique livable neighborhoods and vibrant urban villages within Alexandria**, the budget and CIP include a variety of transportation and transit expenditures and planning efforts, including:
 - a new DASH maintenance facility (\$22.8 million),
 - increased funds to maintain current DASH, WMATA, and paratransit operations (\$1.1 million),
 - funds for new DASH buses (\$1.3 million),
 - funds for improved DASH bus service (\$125,000),
 - for pedestrian improvements in the Arlandria area (\$0.9 million),
 - additional funds for planning and transportation studies (\$850,000),
 - funds for a new Pedestrian, Bicycle and Alternative transportation coordinator position (\$74,000), and
 - land use and zoning educational seminars for interested residents (\$10,000).

- **To care for at-risk youth and families**, the budget and CIP proposes:
 - additional funds for Community Services Act services for at-risk youth (\$1.0 million),
 - additional assistance to seniors through companion aides and senior tax service (\$385,000),
 - renovations to the Flora Krause Casey Health Clinic and the Women's Shelter (\$708,000),
 - a loan to the Tenant and Workers Support Committee to acquire a Community Center in Arlandria (\$300,000),
 - establishment of a Safe Haven facility for hard-to-reach homeless (\$112,000),
 - increases for the Community Partnership, Youth and Children's funds providing partnership grants to non-profits (\$105,000), and
 - expanded summer youth employment opportunities (\$25,000).

- **To "green" Alexandria through a healthy urban living environment and expanded leisure opportunities**, the budget and CIP provide:
 - more funding for maintenance of public trees and urban forestry planning efforts, City gateways, and landscaped City medians (\$280,000),
 - acquisition of open space (at least \$10 million to be borrowed in the first half of 2005), facilitated by the creation of an open space acquisition coordinator position,
 - energy conservation efforts in City facilities (\$500,000),
 - expanded operations at several recreation centers (\$237,000),
 - expansion of the Chinguapin Recreation Center in FY 2008 and improvements to Charles Houston and Patrick Henry Recreation Centers (\$23.6 million),
 - expansion of residential curbside recycling program through contracting out,
 - establishment of a commercial recycling program and additional staff to oversee recycling and solid waste planning (\$55,000),
 - improvements to City athletic fields, ball courts, playgrounds and field drainage systems (\$3.9 million),
 - a feasibility study for a new City all-sports facility (\$100,000),

- a grant to the Lee-Fendall home for repairs contingent upon the provision of an open space easement (\$50,000), and
 - additional funding for the Arts (\$25,000).
- **To enhance public safety**, the budget and CIP provide:
 - funding for a new Office of Emergency Management (\$303,000),
 - the addition of Advanced Life Support-trained personnel to emergency medical service units (\$212,000),
 - improvements to the existing Public Safety Center and planned construction in FY 2008 of a new Police Department headquarters (\$51.1 million),
 - a study of the potential need and location for a new Fire station (\$100,000),
 - various upgrades to police and fire information technology systems (\$245,000),
 - funding for public safety and emergency preparedness activities (\$15,000), and
 - funding for a regional pedestrian and bicycle safety program (\$5,000).
 - **To maintain the City's public infrastructure**, the budget and CIP provide:
 - continuation of substantial reconstruction, rehabilitation and extension of storm and sanitary sewers, funded in part with previously planned \$0.20 sanitary sewer fee increase (\$22.0 million),
 - improved stream/channel maintenance and City marina dredging (\$1.6 million), and
 - a study of lower King St. flood mitigation (\$500,000).
 - **To ensure a financially sustainable future**, the budget and CIP provide:
 - service and benchmark audits to improve efficiency and performance of City government (\$350,000),
 - funds to promote economic development and tourism by a significant increase for the Alexandria Convention and Visitor's Association to increase communications and marketing in support of increased tourism (\$243,000),
 - a 50% increase in City support for the Small Business Development Center providing assistance to Alexandria's small businesses (\$20,000),
 - potential City support for increased marketing and other activities designed to bring business to Alexandria during the holiday season (\$125,000), and
 - City support for the 2nd Annual Festival of the Arts (\$25,000).
 - The budget provides **\$3.2 million in contingent reserves** to cover:
 - uncertainties on the Schools budget and ensure full funding of the School's request (\$2.0 million),
 - planning studies in priority areas of the City such as the Waterfront and Landmark Mall,
 - the effects of the INOVA Hospital-proposed closing of the INOVA Alexandria psychiatric unit, and
 - any new initiatives that may emerge from the City Council's ongoing strategic planning process.